

## **REMARKS/ARGUMENTS**

Reconsideration and withdrawal of the rejections of the application are respectfully requested in view of the amendments and remarks herewith, which place the application into condition for allowance. The present amendment is being made to facilitate prosecution of the application.

### **I. STATUS OF THE CLAIMS AND FORMAL MATTERS**

Claims 1, 2, 5, 7-11, 13, 15, 17-28, and 31-44 are pending in this application. Claims 1, 11, 21-24, and 40 are independent. Claims 1, 11, 15, 21-24 and 40 are hereby amended. Claims 3, 4, 6, 12, 14, 16, 29 and 30 have been canceled without prejudice or disclaimer of subject matter. It is submitted that these claims, as originally presented, were in full compliance with the requirements 35 U.S.C. §112. No new matter has been introduced by this amendment. Support for this amendment is provided throughout the Specification as originally filed and specifically on page 4, lines 1-2. Changes to claims are not made for the purpose of patentability within the meaning of 35 U.S.C. §101, §102, §103, or §112. Rather, these changes are made simply for clarification and to round out the scope of protection to which the Applicant is entitled.

### **II. REJECTIONS UNDER 35 U.S.C. §103(a)**

Claims 1, 5-28 and 31-43 were rejected under 35 U.S.C. §103(a) as allegedly unpatentable over U.S. Patent No. 6,310,962 to Chung, et al. (hereinafter, merely "Chung") in view of U.S. Patent No. 6,314,518 to Linnartz (hereinafter, merely "Linnartz") and further in

view of U.S. Publication No. 2003/0161496 A1 to Hayashi, et al. (hereinafter, merely "Hayashi").

Claim 1, as amended, recites, *inter alia*:

"A material processing system for processing material including a watermark, the material having been watermarked by encrypting a watermark code word and combining the encrypted watermark code word with predetermined components of the material, the system comprising...  
a remover for automatically removing the watermark independently of a user;  
an inserter for automatically inserting the watermark into the processed material independently of the user; and  
a database processor linked to the remover, the database processor being operable to provide the remover with data enabling the removal of the watermark from the material to be processed, the enabling data indicating the predetermined components of the material with which the watermark code word has been combined, and including an encryption key for decrypting after removal and encrypting for inserting the watermark code word in the material."

(Emphasis Added)

In the Office Action, as indicated above, the claims have been rejected as being allegedly obvious in view of Chung, Linnartz and Hayashi. The Office Action has been made final having only identified Hayashi in the present Office Action.

Applicant submits that Linnartz does not disclose the features of decrypting the encrypted code word which has been recovered from the predetermined parts of the material and encrypting the code word which is re-inserted into the material after it has been processed.

As stated in the Office Action, an encryption unit 61 is provided with an encryption key via a channel 62 which is arranged to decrypt the encrypted material reproduced from the medium 51. The watermark is then recovered from the decrypted material and

communicated back to a drive unit 52 in encrypted form. Thus, the arrangement disclosed in Figure 6 does not include the claim limitations that the code word has been encrypted (separately) in the material, and therefore there is no disclosure of decrypting (separately) the encrypted watermark code word which has been recovered from the material.

Although Linnartz in Figure 6 appears to disclose that the watermark code word is encrypted by unit 67 from a communication back to the drive unit 52 where it is decrypted by unit 60, there is no disclosure of the watermark code word being encrypted for re-insertion into the material.

The inventive concept disclosed in the application is to provide a system which automatically and independently of the user removes and re-inserts an encrypted watermark. As identified on page 1 of the Specification on lines 17-28, the inventive concept is to provide a closed system to which the user does not have access. Accordingly, the watermark which has been encrypted before embedding in the material is removed, de-encrypted and re-encrypted for insertion after the material has been processed. It is submitted that this inventive concept cannot be derived from a combination of Chung, Linnartz and Hayashi.

Independent claim 11 is a corresponding method claim.

As discussed above, Applicant submits that the combination of Chung, Linnartz and Hayashi as suggested by the Office Action, does not teach or suggest the above-identified features of claim 1. Therefore, amended independent claims 1 and 11 are believed to be patentable.

Claim 21, as amended, recites, *inter alia*:

“A method of automatically removing data embedded in material independently of a user comprising the steps of:

receiving material in which data is embedded, **the data having been embedded in the material by encrypting the data using an encryption key and combining the encrypted data with predetermined components of the material...**

removing the said data using the enabling data accessed from the store, **wherein the enabling data indicates the predetermined components of the material with which the data has been combined and includes an encryption key for decrypting the encrypted code word.**" (Emphasis Added)

Independent claim 23 is a corresponding apparatus claim.

As discussed above, Applicant submits that the combination of Chung, Linnartz and Hayashi as suggested by the Office Action, does not teach or suggest the above-identified features of claim 21. Therefore, amended independent claims 21 and 23 are believed to be patentable.

Claim 22, as amended, recites, *inter alia*:

"A method comprising the steps of:  
embedding data in material, **the data being embedded in the material by encrypting the data and combining the encrypted data with predetermined components of the material;** and  
storing, in an information store, information for enabling the data to be removed from the material, the information for enabling the data to be removed including an indication of the predetermined components of the material with which the data has been combined, and **the information including the encryption key for decrypting the data.**" (Emphasis Added)

Independent claim 24 is a corresponding apparatus claim.

As discussed above, Applicant submits that the combination of Chung, Linnartz and Hayashi as suggested by the Office Action, does not teach or suggest the above-identified features of claim 22. Therefore, amended independent claims 22 and 24 are believed to be patentable.

Claim 40, recites, *inter alia*:

“A computer program product...  
retrieving, from a database, data enabling  
the removal of the watermark included in the  
material to be processed, the enabling data  
providing the predetermined components of the  
material with which the encrypted watermark  
code word has been combined;  
removing automatically the encrypted  
watermark code word using the enabling data  
independently of a user;...  
inserting automatically the watermark  
encrypted code word into the processed material  
independently of the user wherein the enabling  
data includes an encryption key for decrypting  
after removal and encrypting when inserting the  
watermark code word in the material.”  
(Emphasis Added)

As discussed above, Applicant submits that the combination of Chung, Linnartz and Hayashi as suggested by the Office Action, does not teach or suggest the above-identified features of claim 40. Therefore, amended independent claim 40 is believed to be patentable.

### III. DEPENDENT CLAIMS

The other claims in this application are each dependent from one of the independent claims discussed above and are therefore believed patentable for at least the same reasons. Since each dependent claim is also deemed to define an additional aspect of the invention, however, the individual reconsideration of the patentability of each on its own merits is respectfully requested.

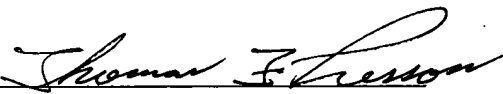
**CONCLUSION**

In the event the Examiner disagrees with any of the statements appearing above with respect to the disclosure in the cited reference, or references, it is respectfully requested that the Examiner specifically indicate the portion, or portions, of the reference, or references, providing the basis for a contrary view.

Please charge any additional fees that may be needed, and credit any overpayment, to our Deposit Account No. 50-0320.

In view of the foregoing amendments and remarks, it is believed that all of the claims in this application are patentable and Applicant respectfully requests early passage to issue of the present application.

Respectfully submitted,  
FROMMER LAWRENCE & HAUG LLP  
Attorneys for Applicant

By   
Thomas F. Presson  
Reg. No. 41,442  
(212) 588-0800